

Asbestos liability plagues Stimson too

■ Mill CEO says liability problem as vexing as log supply, offers local solution

By ROGER MORRIS

Western News Publisher

Healthcare for asbestos victims may be a bigger issue than timber supply to Stimson Lumber Company's long-term

presence in Libby, said CEO Andrew Miller Wednesday afternoon.

Stimson has seen its workmen's compensation insurance increase by \$600,000 this year and they face a possibly larger increase next year, Miller explained.

Eighteen lawsuits have been filed against Stimson by former employees diagnosed with asbestos-related disease. Buildings at the mill are insulated with the asbestos-tainted vermiculite once mined northeast of Libby.

"My read is people are looking for a life raft," Miller said, not begrudging the

suitors but concerned about the financial health of the Libby mill.

"It's not just us," he said. "This is a general insecurity in the whole community."

Miller said insurer Liberty Northwest agrees that Stimson is not liable for the asbestos exposure since the Portland-based company has only owned the mill for eight years. It takes considerably longer for asbestos-related disease to manifest itself. But the insurer is more concerned with a court decision being appealed as high as the Montana Supreme

Court, which has a nationwide reputation of siding with the plaintiffs.

Miller said Montana needs tort reform but he does respect the right of the individual to file suit if they have a legitimate grievance.

The asbestos liability problem didn't exist for Stimson or previous mill owner Champion (International Paper) until W.R. Grace filed for bankruptcy.

Grace is shirking its responsibility to the community, especially since it is now

See Miller on Page 5

Western News
July 19, 02

SDMS Document ID
2032411

Miller

Continued from Page 1
tightening the acceptance qualifications under its health care plan.

"This is a serious issue for us but it's a problem for businesses throughout the state," Miller said.

And he may have a solution that could help fund a Libby asbestos victims healthcare trust and provide needed timber to keep the mill open in the future.

Miller is proposing creation of a trust from a portion of the timber receipts collected by the Forest Service in the Kootenai National Forest.

In a teleconference with community leaders and business people on Monday morning, Miller challenged people to think about it, discuss it and come together to develop a plan.

"I think this is ultimately a community issue," he said. "We own the mill and will continue to do our part."

But the mill can't continue to operate with mounting insurance costs because of the asbestos healthcare problem. He believes if there is a stable, long-term healthcare plan for victims, it probably would help relieve local businesses of the liability.

Miller admits he has not bounced the idea off Liberty Northwest.

"We're (at Libby) basically

breaking even or losing money in a down market," he said. "But we're comfortable with that because you won't make money every year."

But the company can't sustain the increase in insurance costs and face a timber supply uncertainty in 18 months, when their 10-year contract with Plum Creek terminates. More than two weeks ago Miller asked the Forest Service in Libby about the prospect of more harvestable timber in the KNF.

"We don't need big green timber," Miller said. "There are people asking 'Is this mill competitive?' My answer is this mill is very competitive. More competitive than even more modern mills."

"The type of logs we peel out there today are a far cry from what they did a few years ago."

Miller would like to see about 90 million board feet of timber cut in the Kootenai each year. He said that would insure a stable supply for the Libby mill. Presently the Forest Service is preparing about 60-70 mmcf a year.

If the Forest Service managed the KNF for a healthy forest, wilderness values, endangered species, air and water quality and other values considered restric-

tive to logging, there still should be enough timber available to supply the mill, Miller said.

New roads in the forest are not important for timber harvesting and emphasis can be put on alternatives such as heli-logging.

"My point is you can close roads and not build roads and get the job done," he said.

His challenge is this has to come from the community, the entire community. It has to be a united request to the Forest Service and administration to be added to the appropriation bills this fall.

"Get together, hash it out, and say as a community 'This is what we want to work for,'" Miller said. "We're not looking for a handout and neither should the community."

The discussion must include environmental groups, he said.

Earlier this week, Miller and company representatives "pitched" the idea to the administration and to the Montana congressional delegation. Everyone in Washington, D.C., was recep-

tive to the idea but the Libby community must find out what the Forest Service needs in terms of manpower to process more sales, what the cost will be, and how a health care trust can be organized.

Stimson can't ask for the program or the increase as a company but the community of Libby can, carrying much more weight, he said.

He said the company is not looking for a reason to close the mill at Libby.

"I've heard that question, it's a good one," Miller said. "We're not using this as an excuse. We wouldn't do that, it's dishonest. We would tell everybody that out front."

"Besides, we're incurring considerable expense in this," he continued. "We intend to be in Montana and the last thing we want to do is burn bridges with elected officials in Montana."

Miller concluded, "The road from here to there is long but the potholes are not too deep or bottomless."